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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/982,225	10/18/2001	Robert S. Felton	YOR9-2001-0696-US1	7410
29154	7590	09/06/2007		
FREDERICK W. GIBB, III Gibb & Rahman, LLC 2568-A RIVA ROAD SUITE 304 ANNAPOLIS, MD 21401			EXAMINER LIVERSEGE, JENNIFER L	
			ART UNIT	PAPER NUMBER
			3692	
			MAIL DATE	DELIVERY MODE
			09/06/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/982,225

Applicant(s)

FELTON ET AL.

Examiner

Jennifer Liversedge

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 June 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3-14 and 16-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3-14 and 16-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 09/982,225 filed on June 29, 2007.

The amendment contains original claims: 3, 7, 16 and 20.

The amendment contains amended claims: 1, 8 and 14.

The amendment contains previously presented claims: 4-6, 9-13 and 17-19.

Claims 2 and 15 have been canceled.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub. No. 2002/0095355 A1 to Walker et al. (further referred to as Walker), and further in view of Official Notice.

Walker discloses a method, computer system, and a program storage device with program instructions for verifying a value of goods on a supplier invoice (pages 1-10), comprising:

Compiling input of supplier invoice data where the data is a value claimed on an import declaration and a payment invoice (page 4, paragraph 50; page 8, paragraph 87),

Where the values are compared (page 8, paragraphs 87-88; page 9, paragraphs 97 and 101; page 10, paragraph 111),

Where users are alerted if discrepancies are found in the values (page 8, paragraphs 87-88; page 9, paragraph 97),

Where a payment is made if the values are not discrepant (page 1, paragraphs 11-14).

Walker discloses where the sampling size equals the total number of all supplier invoices compiled in a data processing system (pages 1-10). Walker does not disclose where the sample size is greater than the sampling size used in the United States Customs Service audits. However, Walker discloses where the steps are performed for all gathered data, and as an audit may include all or less than all of the data, it would be obvious that verifying all of the data as disclosed by Walker discloses where the sample size is greater than the sampling size used in the United States Customs Service audits.

Art Unit: 3692

It is not possible to verify more data than has been gathered and as Walker verifies all data, this sample size of all invoices is a sample size greater than a sample size used in an audit where some or all of the data is verified.

Walker does not disclose where daily data is compiled into a weekly statistical sample, where a sample size is 30 invoices. However, Examiner takes Official Notice that the technique of statistical sampling is old and well known and would be obvious to one of ordinary skill in the art at the time of the invention for making calculations using the invoice data as disclosed by Walker. Gathering data on a daily basis and generating weekly statistics therefrom would be obvious to one of ordinary skill in the art at the time of the invention. Selecting various sample sizes, such as 30 invoices, would be obvious to one of ordinary skill in the art at the time of the invention. The manipulation of data for statistical purposes can be performed in an infinite array of combinations as the user desires for their purpose of reviewing the gathered data. The selection of sample size can also be determined based on how samples a user deems necessary in order to represent the population as a whole, the concept of sampling being old and well known.

Response to Arguments

The system, method, and program storage device with program instructions for verifying a value of goods on a supplier invoice as disclosed in the present application teaches a means of performing those steps as are performed by the United States Customs Service. As disclosed in the background on page 2, the United States

Art Unit: 3692

Customs Service performs audits to verify and compare the value of goods as declared versus the value as actually paid. This is performed under 19 U.S.C. 1509. Suppliers are required to conform and meet the requirements as set forth by the United States Customs Service and an organization to internally mimicking the audit process using old and well known statistical sampling in order to assure compliance with the regulatory authorities makes common business sense. The disclosure of the present application teaches on page 2 that internal systems perform such verification at the time of an audit. Accordingly, verifying a value of goods on a supplier invoice through sampling and comparing values on an import declaration and on a payment invoice are admittedly performed by both the United States Customs Service and internally by organizations seeking to comply with government regulations.

Applicant argues specifically in the current amendment that Walker does not mention automated payments or comparing the value claimed on an import declaration with the value claimed on a payment invoice. Applicant further argues that paragraph 14 of the Walker reference does not constitute prior art as it was not disclosed in the provisional application. Additionally, Applicant argues Examiner's use of Official Notice regarding statistical sampling and use thereof.

First, the use of paragraph 14 from the Walker disclosure is proper because the paragraph is within the Description of Prior Art section of the disclosure. Walker is not disclosing a new form of payment in his disclosure, but is stating as prior art that making payments at the end of a transaction is old and well known prior art. Further, Walker discloses where the system facilitates the payment between parties (page 9,

Art Unit: 3692

paragraphs 98-99). Further, it is old and well known to make automatic payments upon the satisfaction of certain predefined conditions, this type of automatic payment system being described in a multitude of settings. Additionally, in the context of the Walker disclosure, Examiner cites *In re Venner*, 262 F.2d 91, 95, 1209 USPQ 193, 194 (CCPA 1958) wherein it has been decided that the automation of a known manual process is an obvious variation of the manual process.

Second, Examiner points to the sections as detailed in the Office Action above where Walker compares values of required regulatory documents to ensure compliance with Federal regulations regarding customs, specifically at page 4, paragraph 50 for an invoice and page 8, paragraph 87 for declarations. Walker further discloses where the values are compared (page 8, paragraphs 87-88; page 9, paragraphs 97 and 101; page 10, paragraph 111), and where users are alerted if discrepancies are found in the values (page 8, paragraphs 87-88; page 9, paragraph 97). The purpose of the Walker invention is to ensure that international trade is conducted in a manner such that all regulatory requirements are met using a computer-implemented system to account for the complete trade process on behalf of buyers and sellers. In the sections as outlined, Walker performs all necessary steps of ensure proper documentation is submitted and that the documentation is accurate for meeting U.S. Customs requirements.

Finally, regarding the arguments of use of Official Notice for statistical sampling and use thereof. As support for the use of Official Notice, Examiner relies on the disclosure of statistical sampling which is part of the record (Turner), used in previous Office Actions. Statistical sampling is old and well known. Taking an entire population

of data or a portion of data is old and well known sampling techniques. The more data that is taken, the more accurate the statistic would be, this is the basic nature of statistics and sampling. As stated in the preceding section of the arguments, suppliers are required to conform and meet the requirements as set forth by the United States Customs Service and an organization to internally mimicking the audit process using old and well known statistical sampling in order to assure compliance with the regulatory authorities makes common business sense. Whether data is gathered hourly or daily or any unit of time, and whether reports are developed hourly or daily or weekly or by any other unit of time is part of the discretion of the individual performing the statistical analysis. There are in infinite number of combination that a user can implement when collecting and calculating data but they all fall within the old and well known use of statistical analysis.

The Courts have stated that "[w]hen a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill." *KSR Int'l Co. v. Teleflex, Inc.* 127 S. Ct. 1727, 1740, 92 USPQ2d 1385, 1396 (2007). Mimicking a process as established by the United States Customs Service to verify invoice and declaration values match, using known statistical techniques, is a predictable variation to the process as made

Art Unit: 3692

available by the United States Customs Service in meeting the established Federal requirements and in which it only makes sense for a business to follow the law.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Biederman, David. "Shipper, Audit Thyself". Journal of Commerce. New York: Jan 25, 1999. Biederman discloses agencies monitoring records and performing routine internal audits using CAT Kits, a tool provided on the Customs website to conduct self-assessment audits.

Ahrens, Roger. "Software solutions for global traders". International Business. Rye: May/June 1997. Vol. 10, Iss. 4. Ahrens discloses the automation of regulation forms without having to reenter the same data, where data is shared across document such as invoices and declarations. Data would thereby be verified in that invoices and declarations share data and inconsistent values would not be entered.

"Making the most of an internal audit when Customs comes calling". Journal of Commerce. New York: Dec. 23, 1998. Discloses performing internal audits such that potential problems can be identified, and where detecting errors in invoice declarations and commercial invoices would be identified. Also disclosed is the fact that importers are responsible for conforming to ensuring that the invoice and declaration match, and

where monitoring for errors related to inconsistent values in invoices should be in place to ensure compliance with regulations.

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

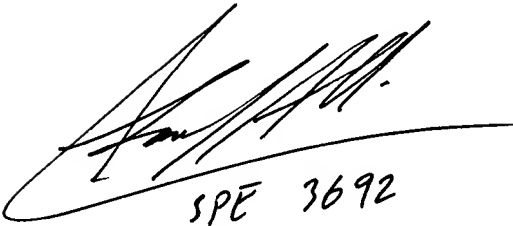
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

Art Unit 3692



SPE 3692